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MANAGING FEDERAL INFORMATION RESOURCES

FOURTH ANNUAL REPORT
UNDER THE
PAPERWORK REDUCTION ACT OF 1980

OFFICE OF MANAGEMENT AND BUDGET

SEPTEMBER 1985

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 9, 1985

Honorable George Bush
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

I am pleased to send you "Managing Federal Information Resources: Fourth Annual Report Under the Paperwork Reduction Act of 1980," as required by Section 3514 of Title 44, United States Code.

We are proud of our progress, described in this Report, toward achieving the important objectives of improving information management within the Federal government and reducing the information collection burdens imposed on the public. These accomplishments include the

- net reduction, in FY 1984, of 67.7 million burden hours imposed on the American public and a projected additional 65.6 million hour net burden reduction for FY 1985;
- implementation of a new Information Collection Budget tracking process to help agencies and OMB determine during the fiscal year that agreed-upon burden-reduction goals are being achieved;
- establishment of an enhanced information technology planning process;
- issuance of a draft Federal information resources management policy circular; and
- classification and initial evaluation of more than 700 proposals to revise the Standard Industrial Classification Manual.

Your continuing support of our efforts in these areas is greatly appreciated.

Sincerely,

Joseph R. Wright, Jr.
Acting Director

Enclosure

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I

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 9, 1985

Honorable Thomas P. O'Neill
Speaker of the House of
Representatives
Washington, D.C. 20515

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Joseph R. Wright, Jr.
Acting Director

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II

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MANAGING FEDERAL INFORMATION RESOURCES

FOURTH ANNUAL REPORT

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INTRODUCTION

The Paperwork Reduction Act of 1980 (Act) entrusts the Office of Management and Budget (OMB) with the responsibility to oversee and manage many of the information gathering, processing, and disseminating activities of the Federal government. As part of this responsibility, Section 3514 of the Act requires the Director of OMB to report annually to Congress on OMB and agency progress in implementing the mandates of the Act. This document is the fourth of these reports.

During the past reporting year (April 1, 1984, to March 31, 1985) OMB has worked closely with Federal departments and agencies to accomplish the Act's goals and objectives in the areas of paperwork reduction, information resources management, statistical policy, and legislation. These accomplishments include a 67.7 million hour reduction in paperwork burden, the issuance for comments of a draft policy circular on the management of Federal information resources, and the classification and initial evaluation of more than 700 proposals to revise the Standard Industrial Classification Manual. In addition, this report outlines plans for continued progress in achieving the Act's objectives. These plans include the incorporation of government-wide standard forms and government-wide procurement requirements into the paperwork burden inventory, implementation of a comprehensive agency information technology planning process, and continuation of OMB's cross-agency study of practices affecting the level and quality of response to business surveys. These and other OMB and agency activities are more fully described below.

Controlling Paperwork

Currently, the Federal government imposes almost 6,500 forms, surveys, reporting and recordkeeping requirements, and other types of information collections requiring over 4 billion responses from the American public and representing over 2 billion hours of burden. These collections range from the most burdensome forms--the IRS Form 1040 and related schedules, which impose over 260 million hours of burden annually--to various permit and license applications, which impose less than 5 hours of burden on the public per year. Regardless of size or importance, however, Congress has charged OMB with ensuring that all Federal paperwork burden is minimized.

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The most frequently used means of controlling paperwork is the information collection review process. Between April 1984 and March 1985, for example, OMB reviewed over 3,600 requests for approval of proposed collections of information. Almost 240 of these requests were disapproved, primarily because the collections were overly burdensome, lacked practical utility, or were not necessary for the proper performance of the agency's function. Before disapproving a proposed information collection, OMB will discuss the specific concerns with the requesting agency. Only when the agency cannot demonstrate a clear need, purpose, and utility for the proposed information collection will OMB disapprove the paperwork request. During the four years that this information collection review process has existed under the Paperwork Reduction Act, agencies have begun to understand how their proposed information collections must be evaluated; consequently agencies have begun to evaluate more extensively their own proposals before submission to OMB for Paperwork Reduction Act review.
Another OMB information management tool is the Information Collection Budget (ICB). The ICB has been developed to control the amount of paperwork imposed upon the American public. It establishes allowances for the amount of time each Federal agency may ask citizens to spend in filling out forms and records. These individual agency allowances, or budgets, are announced at the beginning of each fiscal year. Although there is no longer a statutorily-imposed burden reduction target, the Federal government continues to project and achieve significant paperwork burden reductions. During FY 1984, for example, Federal departments and agencies achieved a net reduction of 67.7 million hours of burden. OMB anticipates that in FY 1985, Federal departments and agencies will produce an additional 65.6 million hour net reduction.

To help the departments and agencies achieve their reduction goals, OMB has instituted a new ICB tracking process. The process consists of two parts: (1) an ICB Burden Plan that the agencies prepare immediately after they receive their budgets, showing how and when their agreed-upon burden targets will be reached, and (2) quarterly reports that indicate their progress in achieving these goals throughout the year. This new process will enable the departments and agencies to identify and resolve problems in obtaining their reduction goals and will thereby better ensure that the goals are accomplished within the fiscal year.

To capture fully the paperwork burden, OMB is now incorporating two major sources of burden--government-wide standard forms and government-wide

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procurement requirements--into the paperwork burden inventory. When considered as a whole, the paperwork burden associated with Federal procurement-related reporting and recordkeeping requirements is more burdensome than any other category of information collection imposed on the public. Consequently, during FY 1984, OMB worked with six of the major procurement agencies to reduce their agency-controlled procurement burden by 10 percent. These agencies successfully achieved their reduction target by eliminating over 68 million hours of procurement paperwork burden.

A third way OMB carries out the Act's mandate to reduce the Federal paperwork burden is to establish new and refine existing policies and programs that will facilitate future paperwork reductions. OMB, for example, continues to work with Federal agencies to improve the Federal Information Locator System (FILS). Descriptions of all existing Federal information collections are consolidated in this single automated system to make it possible for agencies to identify quickly any available information already collected by the government that may serve their needs. They can then use that information instead of imposing a duplicative collection of information. As of June 1, 1984, the 35 ICB agencies were required to search the FILS data base before submitting their information collection requests to OMB. In December 1984, OMB accepted a recommendation by the Institute of Computer Sciences and Technology to adopt the General Accounting Office (GAO) Thesaurus in entering data into and accessing the FILS database.

OMB also encourages agencies to identify more efficient ways to collect information and more effective uses of that information. For example, the four agencies that review annual reports of employee pension and welfare benefit plans are exploring more efficient, and less costly, methods for plan administrators to submit these required reports to the Federal government. The four user-agencies--the Department of Labor's Office of Pension and Welfare Benefit Programs, the Internal Revenue Service, the Pension Benefit Guaranty Corporation, and the Social Security Administration--and OMB have formed a working group to study this matter. One alternative under consideration is an electronic filing system. The Department of Labor (DOL) completed a pilot study as a first step in its evaluation of the feasibility of electronic filing. The working group is currently reviewing DOL's report on the results of the pilot program. In addition, the working group is examining ways to eliminate unnecessary data elements from the current information collection requirements.

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OMB has also proposed legislation to reduce paperwork. One bill recently transmitted to Congress, for example, contains proposed statutory changes to eliminate legislatively-mandated collections of information that no longer serve a useful purpose. In addition, the Administration has already submitted legislation that would eliminate or modify over 200 statutorily-required reports that agencies must provide to Congress. The elimination of these reports, many of which are no longer needed or which collect data already available elsewhere, will produce a significant reduction in paperwork imposed both on the agencies and the American public.

Information Policy

The Federal government helped pioneer the use of information technology and remains the largest user of this technology in the U.S. today. Yet the Federal government has also experienced major problems with its information systems due to poor planning and management. OMB, in fulfilling its mandate under section 3504(a) of the Act, is providing much-needed leadership and guidance in "records management activities, privacy of records, interagency sharing of information, and acquisition and use of automatic data processing, telecommunications, and other technology of managing information resources."

Many of OMB's information policy initiatives will help Federal agencies cope with, and take advantage of, the rapid technological and market changes in automatic data processing and telecommunications. OMB has set standards for agency information system planning, and has targeted major Federal information systems for review. OMB is also overseeing the changes in telecommunications procurement at the General Services Administration (GSA) and other agencies to ensure that the Federal government, as an information user, benefits from technological and market changes.

Other initiatives are part of ongoing efforts to provide usable guidance to agencies that must deal with a bewildering array of statutes, administrative requirements, and government objectives affecting their information activities. Four existing OMB circulars on various facets of information policy are being consolidated into a single circular to provide better integrated guidance to agencies. Plans for the coming year include a major update and clarification of guidance to agencies on implementing the Privacy Act and cooperative efforts with GSA and Commerce to ensure that their activities (e.g., issuance of Triennial Review

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Regulations) are consistent with OMB policy directive and supportive of the objectives of the Paperwork Reduction Act.

Statistical Policy

OMB dealt with a wide range of statistical policy issues in the past year. Information collection reviews brought to light several problems that appeared to be common to a large number of statistical surveys and studies. One such problem, to which OMB gave considerable attention last year, is the uneven quality of statistical studies that may be used by regulatory agencies as the basis for risk analyses. Another is the relative inattention that many agencies give to nonsampling error in their statistical surveys. OMB has dealt with such problems as they arose in individual information collection clearance actions and is now in the process of addressing them in a revision of OMB statistical standards.

Several opportunities arose last year to make incremental improvements in the law relating to the confidentiality of statistical records, and OMB worked closely with the interested agencies to promote such improvements. Deregulation and the accompanying elimination of regulatory reporting requirements continued to create adjustment problems for statistical agencies that rely on data from regulatory sources for their publications or analyses. OMB has continued to work with statistical agencies to help them find or develop alternative sources for such data. A number of Federal agencies have recently begun and others are exploring electronic dissemination of statistical data. So that each agency need not separately go through the learning process on its own, OMB last year organized an interagency group to study and prepare a report on the issues and options that confront agencies as they consider electronic dissemination programs.

A good deal of OMB attention in the statistical policy area has been focused on problems and projects related to the quality of national economic statistics. Maintaining accuracy in the data and estimates used as indicators of current economic conditions and deciding how to balance accuracy and timeliness continue to be difficult problems. OMB has been formulating guidance to help statistical agencies better deal with these problems. Both OMB and the agencies represented on the Technical Committee on Industrial Classification have been devoting considerable effort and resources to the

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revision of the Standard Industrial Classification, which when completed and put into effect on January 1, 1987, will make a substantial improvement in the utility of all statistical data collected and reported by industry.

OMB also last year undertook a study of the methods and practices used by Federal agencies in business surveys, both farm and nonfarm. Its purpose is to explore the relationships between the design of such surveys, the burden they impose on respondents, and the quality of the data they elicit. Preliminary results show excellent respondent cooperation and overall performance in well-designed voluntary surveys, lower performance in all respects from "non-probability" designs, and surprisingly poor performance from most mandatory surveys. Enhancement of the data base and more detailed analysis will proceed in the coming year.

In September, 1984, OMB organized the Federal Agency Council for the 1990 Census. Federal agencies are heavy users of census data and their demands frequently overlap or conflict. The Federal Agency Council (FAC), which includes representatives of the 12 Departments and 9 independent agencies that wished to participate, will help OMB coordinate and set priorities for data collection and release so the census serves the Federal government's needs as well as possible. The first task of the Council, during the summer of 1985, is to provide input to the 1986 National Content Test for the Census. It will then consider and make recommendations on precensus and follow-on surveys. The FAC will also recommend delivery schedules for various data from the 1990 census.

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CHAPTER ONE

CONTROLLING PAPERWORK

A primary objective of the Paperwork Reduction Act is to minimize the Federal paperwork burden. In accomplishing this objective, OMB and the collecting agencies are to consider not only the burden imposed on private individuals, but also that imposed on small businesses, State and local governments, and other persons. Related objectives of the Act are to minimize the costs to the Federal government of collecting, using, and disseminating information and to maximize the usefulness of the information that is collected.

OMB accomplishes these objectives in a number of ways, including: 1) reviewing Federal agency requests for approval of information collections; 2) producing an annual Information Collection Budget (ICB) that tracks and limits the hours of burden Federal agencies impose on the public; and 3) developing new and refining existing policies and procedures for identifying and facilitating future paperwork reductions. This chapter describes those activities as well as plans for additional burden reductions.

INFORMATION COLLECTION REVIEWS

With a few clearly-specified exceptions, Federal agencies are mandated by the Act to seek and obtain OMB approval for their information collections before imposing them on the public. The clearance requirement applies whether or not the collection is established by regulation. OMB reviews these collections to determine that they: 1) are necessary for the proper performance of the agency's function; 2) will have practical utility for the agency; 3) do not duplicate existing collections; and 4) do not impose undue burden on the public. Through this process OMB can identify and eliminate collections that are of marginal use, duplicate existing collections, or that may be accomplished by using less burdensome methods.

Transactions: Between April 1, 1984 and March 31, 1985, OMB reviewed over 3,600 agency requests for clearance of information collections. This represents roughly 11 percent fewer requests than in the previous reporting year. The previous year's higher level was due primarily to the newly added review of paperwork

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requirements contained in existing regulations. The Paperwork Reduction Act's implementing regulations (5 CFR 1320), which took effect in March 1983, clarified that paperwork requirements established by existing regulations are subject to the Act.

OMB Actions on Agency Requests for Paperwork Clearances

Reviews	April 1984 through March 1985	April 1983 through March 1984	April 1982 through March 1983	April 1981 through March 1982
TOTAL	3,648	4,110	3,249	5,091
Approvals	3,390	3,813	2,965	4,405
Disapprovals	237	246	258	523
Not Subject to OMB Review	21	51	26	163

Generally speaking, OMB has 60 days within which to review an agency request for approval of a collection of information. Section 3507(b) of the Act authorizes OMB to extend that review period an additional 30 days, except for those information collections included in a notice of proposed rulemaking under Section 3504(h). During the period covered by this report, OMB reviews have been completed on an average of 43 days--well within the statutory requirement.

Section 3507(g) of the Act provides for emergency requests for approval of an information collection. Emergency approvals must be formally requested by the agency head. OMB received no Section 3507(g) emergency requests for approval during the past reporting year. Requests for expedited reviews were handled informally.

Overrides of OMB Actions: Under Section 3507(c) of the Act, independent regulatory agencies, as opposed to executive departments and agencies, may override an OMB disapproval of an information collection proposal by a majority vote of their members. During the period covered by this report, there was one agency override of an OMB disapproval. The National Credit Union Administration (NCUA) overrode OMB's disapproval of a portion of NCUA's form entitled, "Share Insurance and Operating Fee Statements." OMB had disapproved three items on the form that would require the 16,000 federally-insured credit unions to calculate their 1985 share insurance premium, even though payment of the

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--emium had been waived for 1985. In overriding the OMB disapproval, NCUA claimed that the information from the questions was needed to "demonstrate the cost savings achieved this year for credit unions through the waiver action" and to alert federally-insured credit unions of additional costs during years in which the premium is not waived. Although OMB continues to believe that this information collection request does not meet the criteria for approval under the Paperwork Reduction Act, it has assigned an OMB control number to the collection in accordance with Section 3507(c) of the Act.

Duplicative Information Collections: One of OMB's paperwork review responsibilities is to determine whether a proposed information collection duplicates an existing collection or whether an existing, though not precisely the same, information collection would serve the agency's need. OMB may disapprove a proposed collection of information if it is an unnecessary duplication. Between April 1, 1984, and March 31, 1985, OMB disapproved three information collection proposals on this ground (see Appendix A). This compares with three duplications in last year's report and six duplications in the preceding report.

Paperwork Reduction Act Violations: Section 3514 of the Paperwork Reduction Act requires OMB to report to Congress agency violations of the Act's provisions and implementing rules. Such violations often involve an agency imposing a collection of information on the public that has not been approved by OMB and does not have a valid OMB control number. OMB considers the report of a violation to Congress to be a serious action and, consequently, tries to resolve the problem with the offending agency as quickly as possible. This year nine violations were identified. In seven of these instances, the violating agency has subsequently submitted the information collection for OMB approval. OMB, however, is still awaiting full resolution of the remaining two violations (see Appendix B). This compares with nine violations in last year's report and nine violations in the preceding year's report.

THE INFORMATION COLLECTION BUDGET

A major tool for controlling the Federal paperwork burden is the Information Collection Budget (ICB). The ICB is patterned after the fiscal budget. The ICB has been developed to control the amount of paperwork imposed upon the American public. It establishes limits on the amount of time each Federal agency may ask citizens to spend in filling out forms and maintaining records. These individual agency limits, or budgets,

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are announced at the beginning of each fiscal year. Year-to-year analysis of these budgets permits an assessment of the Federal government's progress in reducing paperwork imposed on the American public.

Paperwork Burden Reduction Achievements: As part of its objective to minimize the paperwork burden on the public, the Paperwork Reduction Act established an overall burden reduction goal of 25 percent between 1980 and 1983. By the end of 1983, Federal agencies and departments had achieved a 32 percent reduction in paperwork from the 1980 "base," far exceeding the Act's 25 percent goal.

Although there is no longer a statutorily-imposed reduction target, the Federal government continues to achieve significant burden reductions. During FY 1984, for example, another 67.7 million hours of burden were eliminated, a 3.4 percent reduction from the approximately 2.0 billion hours in the measured inventory at the close of 1984. The major reductions were achieved through the implementation of an Internal Revenue Service (IRS) revised depreciation and amortization reporting system (6.2 million hours), modification of Department of Transportation motor vehicle inspection requirements for commercial trucks (5.7 million hours), elimination of Federal Communication Commission program log requirements for noncommercial radio broadcasters (4.8 million hours), modification of the Food Stamp Program's Monthly Reporting System (4.2 million hours), modification of the IRS reporting requirements for and the content of the Partnership Return of Income tax form (3.6 million hours), and the adoption of a new Uniform Hospital Bill form by the Medicare Program (3.4 million hours).

FY 1985 Reductions: OMB anticipates that Federal departments and agencies will produce an additional net paperwork burden reduction of 65.6 million hours (3.3 percent) during FY 1985. They will achieve this reduction by eliminating over 74 million hours from the existing 1984 inventory and limiting new collections to less than 9 million hours. The largest reductions will come from the Department of Defense (29.0 million hours) through further elimination of procurement paperwork, the Department of Labor (14.1 million hours) through modification of regulatory requirements, the Department of Health and Human Services (12.7 million hours) through changes in health care reporting requirements and billing practices, and the Department of Transportation (7.7 million hours) through reductions in various highway and air industry recordkeeping and reporting requirements.

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TABLE 1. PAPERWORK REDUCTION FROM THE FY 1983 BASE
(In thousands of respondent hours)

	FY 1983 BASE	FY 1984 PERCENT CHANGE
Total Government 1/	2,023,448	-3.35%
Departments:		
Agriculture	91,807	-4.37%
Commerce	9,765	-46.02%
Defense	629,418	-10.16%
Education	11,422	-1.93%
Energy 2/	88,251	+12.12%
Health and Human Services	160,631	-6.78%
Housing and Urban Development	16,562	-0.56%
Interior	14,718	-0.71%
Justice	3,885	-2.96%
Labor 3/	86,482	-0.02%
State	1,803	-25.24%
Transportation	95,485	+1.56%
Treasury	592,489	+2.59%
Agencies:		
Civil Aeronautics Board	358	-8.10%
Commodity Futures Trading Comm	1,603	-0.62%
Consumer Product Safety Commission	522	-7.47%
Environmental Protection Agency	37,824	-1.11%
Equal Employment Opportunity Comm	3,255	0.00%
Federal Communications Commission	20,531	-26.99%
Federal Deposit Insurance Corp	1,632	-3.37%
Federal Emergency Management Agency	1,131	-3.80%
Federal Home Loan Bank Board	2,090	-7.85%
Federal Reserve Board	4,830	-4.51%
Federal Trade Commission	39,357	-0.01%
General Services Administration	2,228	-8.71%
Interstate Commerce Commission	1,161	-2.67%
National Aeronautics and Space Admin	27,397	-8.52%
National Credit Union Administration	5,385	-16.95%
National Science Foundation	3,838	-1.02%
Nuclear Regulatory Commission	11,968	-0.99%
Office of Personnel Management	2,186	-7.37%
Railroad Retirement Board	1,208	-0.50%
Securities and Exchange Commission	36,857	-1.56%
Small Business Administration	4,123	-0.27%
Veterans Administration	11,246	+0.24%

1/ Totals and percentages were calculated from unrounded numbers.
2/ Includes the Federal Energy Regulatory Commission.
3/ Includes the Pension Benefit Guaranty Corporation.

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TABLE 2. ALLOWANCES FOR FY 1985
(In thousands of respondent hours)

		REDUCTION FROM BASE		FY 1985 NEW COLLECTIONS		FY 1984-85 NET CHANGE	
	FY 1984 Base	Program Change	Percent Change	Program Change	Percent Change	Program Change	Percent Change
Government Total	1,989,230	-74,405	-3.74%	8,787	0.44%	-65,618	-3.30%
DEPARTMENTS:							
Agriculture	76,318	-1,620	-2.12%	137	0.18%	-1,483	-1.94%
Commerce	6,648	-734	-11.04%	355	5.34%	-379	-5.70%
Defense	576,968	-29,077	-5.04%	103	0.02%	-28,974	-5.02%
Education	41,449	-3,544	-8.55%	416	1.00%	-3,128	-7.55%
Energy	19,549	-1,194	-6.11%	216	1.10%	-978	-5.00%
HHS	171,570	-12,660	-7.38%	2,672	1.56%	-9,988	-5.82%
HUD	14,239	-712	-5.00%	30	0.21%	-682	-4.79%
Interior	8,423	-510	-6.05%	89	1.06%	-421	-5.00%
Justice	3,747	-346	-9.23%	28	0.75%	-318	-8.49%
Labor	71,736	-14,050	-19.59%	1198	1.67%	-12,852	-17.92%
State	1,465	-75	-5.12%	0	0.00%	-75	-5.12%
Transportation 1/	89,961	-7,688	-8.55%	58	0.06%	-7,630	-8.48%
Treasury	697,125	+13,534	+1.94%	485	0.07%	+14,019	+2.01%
AGENCIES:							
CFTC	1,643	-82	-4.99%	0	0.00%	-82	-4.99%
CPSC	437	-32	-7.32%	5	1.14%	-27	-6.18%
EPA	33,851	-1,165	-3.44%	1,395	4.12%	+230	+0.68%
EEOC	3,377	-298	-8.82%	0	0.00%	-298	-8.82%
FCC	17,484	-2,860	-16.36%	12	0.07%	-2,848	-16.29%
FDIC	1,562	-102	-6.53%	2	0.13%	-100	-6.40%
FEMA	1,405	-75	-5.34%	2	0.14%	-73	-5.20%
FHLBB	1,866	-172	-9.22%	25	0.16%	-169	-9.06%
FRB	8,355	-442	-5.29%	24	0.29%	-418	-5.00%
FTC	39,390	-2,870	-7.29%	861	2.19%	-2,009	-5.10%
GSA	717	-42	-5.86%	5	0.70%	-37	-5.16%
ICC	1,032	-594	-57.56%	17	1.65%	-577	-55.91%
NASA	22,572	-2,333	-10.34%	0	0.00%	-2,333	-10.34%
NCUA	2,639	-154	-5.84%	8	0.30%	-146	-5.53%
NSF	4,549	-72	-1.58%	64	1.41%	-8	-0.18%
NRC	10,190	-1,735	-17.03%	352	3.45%	-1,383	-13.57%
OPM	6,260	0	0.00%	0	0.00%	0	0.00%
RRB	1,205	-39	-3.24%	8	0.66%	-31	-2.57%
SEC	41,444	-2,153	-5.19%	64	0.15%	-2,089	-5.04%
SBA	3,095	-112	-3.62%	126	4.07%	+14	+0.45%
VA	6,959	-397	-5.70%	52	0.75%	-345	-4.96%

1/ Includes the Civil Aeronautics Board.

Although OMB and the Executive branch agencies are striving to make the paperwork burden estimates as accurate as possible, much remains to be done. Not all types of paperwork, for example, have been incorporated into the paperwork burden inventory. The FY 1984 base estimate of Federal burden is somewhat understated because it lacks two major sources of burden: (1) government-wide standard forms, and (2) government-wide procurement requirements imposed by the Federal Acquisition Regulation (FAR). OMB and the General Services Administration (GSA), however, are working together to establish accurate estimates for these paperwork items and expect to include these estimates in the FY 1986 ICB.

As is evident from the actual burden reduction in FY 1984 and the projected reduction in FY 1985, additional decreases are becoming increasingly difficult to obtain. The most obvious and least controversial reductions have been achieved. Future reductions will have to come from rulemaking activities to modify or eliminate existing regulatory information collection requirements and legislative changes that provide Federal departments and agencies with the flexibility to implement statutorily-required collections of information in the most efficient, least burdensome manner. In addition, OMB will continue to welcome the help of the public in identifying unnecessary or overly-burdensome collections of information.

ICB Tracking Process: As a way to help agencies and OMB determine that agreed-upon burden reduction goals are being achieved, OMB has instituted a new, two-part tracking process. First, agencies are to submit an ICB Burden Plan after the receipt of ICB allowances. This plan details, by quarter, changes in the existing base and burden increases due to new collections that will occur during the fiscal year. Second, after the close of each quarter of the fiscal year, agencies are to submit quarterly reports. These quarterly reports detail the agencies' progress in meeting the targets established in the Burden Plans. OMB anticipates that this revised process will ensure early identification and resolution of any problems so that the goals are in fact achieved by the end of the fiscal year.

Reductions in Federal Procurement Paperwork: Totalling over 650 million hours, the paperwork burden associated with Federal procurement-related reporting and recordkeeping requirements is more burdensome than any other category of collections of information imposed on the public. In FY 1984, OMB worked with six of the major procurement agencies to reduce their agency-controlled procurement burdens by 10 percent.

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These agencies, which included the Departments of Defense, Energy, and Agriculture, GSA, Veterans Administration, and National Aeronautics and Space Administration, eliminated over 68 million hours of procurement paperwork burden, thereby exceeding the 10-percent reduction target.

The procurement paperwork reduction effort will continue for the foreseeable future. As was the case with the procurement-related reductions occurring in FY 1984, a major beneficiary of these burden reduction efforts will be small companies that do business with the government. These efforts will include simplified reporting for small acquisitions up to $25,000, use of once-a-year representations and certifications covering all contracts negotiated with a contractor, simpler procedures and reports from small business, and increased use of standardized forms.

Measurement of the Paperwork Burden: To achieve the Paperwork Reduction Act's objective of minimizing the Federal paperwork burden, an accurate estimate of that burden is necessary. Although OMB believes that Federal departments and agencies are developing more accurate assessments of the time it takes to comply with Federal paperwork requirements, OMB recognizes that these estimates can be improved. Consequently, OMB supports agency efforts to develop a more refined and accurate methodology for establishing burden hour estimates, such as the Internal Revenue Service burden baseline study. This study, which IRS expects to complete in 1985, involves surveys of individual and business taxpayers on the time required to prepare tax returns. This study should produce two major benefits: 1) a more accurate burden estimating methodology; and 2) the simplification of tax forms with no loss of revenue.

OTHER PAPERWORK REDUCTION ACTIVITIES

Federal Information Locator System: The Federal Information Locator System (FILS) is mandated by Section 3511 of the Act. The objectives of FILS are: to reduce unnecessary duplication in the collection of information from the public; to maximize the use and distribution of already available government information; and to minimize the burden and cost to the public and government of information collection, processing and access.

In 1982, OMB and the Department of Defense (DOD) entered into an agreement whereby OMB provided the policy, guidance and direction for FILS and DOD provided the technical oversight and operational support. The agreement was renewed in March 1984.

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The significant past events in the development of FILS are: 1) the establishment of a prototype in 1983, 2) testing of the prototype, 3) placement of FILS on the DOD's Defense Information Automated Locator Systems (DIALS), and 4) declaration of FILS as an operational system.

In April 1984, the FILS data base was updated and keywords were assigned to the records. Effective June 1, 1984, the 35 ICB agencies were required to search the FILS database and document the search before submitting information collection requests to OMB.

In October 1984, the Institute of Computer Sciences and Technology (ICST) issued a report on FILS. A principal recommendation of the report was the adoption of the General Accounting Office Thesaurus as the guide in assigning keywords and in searching the database. In December, OMB accepted this recommendation and started work with several agencies to test the results of using the Thesaurus.

The FILS Steering Group, comprising representatives from the user agencies, DOD, and OMB, was reconstituted to assist OMB in making further systems enhancements to FILS.

Agency Efforts to Reduce Paperwork Burden: OMB encourages agencies to identify ways they can make their information collections more efficient and less burdensome. The Department of Labor (DOL), for example, has recently initiated such an effort with the Form 5500, an annual report the Employee Retirement Income Security Act (ERISA) requires be collected from every administrator of a pension or welfare benefit plan. This report, which is the primary source of information on the financial condition, assets, investment activities and operations of private sector employee welfare and pension benefit plans, imposes 3.2 million hours of burden each year on plan administrators. This burden is allocated proportionately among the four agencies that use the ERISA data: the DOL's Office of Pension and Welfare Benefit Programs (OPWBP), the Treasury Department's Internal Revenue Service (IRS), the Social Security Administration (SSA), and the Pension Benefit Guaranty Corporation (PBGC).

Currently, plan sponsors of over 800,000 employee benefit plans file paper copies of their annual reports with the IRS. IRS staff verify and process some of the data before sending the forms to a DOL contractor to be microfiched. As a consequence of this delay in processing, the other three user agencies must wait almost a year from the time the reports are initially

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filed before they have access to the complete set of report data. This time delay seriously limits the Labor Department's ability to use the ERISA data effectively for research and enforcement purposes.

To minimize delays in processing the ERISA data and thereby substantially increase its utility, the four user agencies and OMB have formed a working group to examine alternative methods of filing and processing the information as well as potential reductions in the data elements contained in the form. Last year the OPWBP initiated a pilot project in which one thousand participants filed their Form 5500 on magnetic tapes and floppy disks. Participant comments on the project were generally very positive and have encouraged the working group to study the electronic filing issue further. As part of its study, the working group is also examining the Form 5500 in an attempt to reduce reporting requirements to those elements absolutely necessary for the user agencies to carry out their ERISA-related functions. The working group expects that these efforts will produce a more effective use of the information collected as well as a substantial paperwork savings for the benefit plan community.

LEGISLATIVE ACTIVITIES AND ISSUES

Legislation to Reduce Paperwork: OMB recently transmitted a bill to Congress that contains a number of changes to existing statutes that require the imposition of reporting requirements and other paperwork on the public. This bill contains 37 changes to existing provisions limiting regulatory flexibility and 23 proposals to eliminate or change statutory provisions requiring information collections from the public.

The proposed legislation is government-wide in scope and contains statutory changes to provisions administered by a number of departments and agencies. The items in the bill were largely suggested for inclusion by the affected agencies and represent requirements that are now either obsolete or no longer serve useful purposes.

The Administration has also proposed legislation that is currently before Congress that would eliminate or modify 235 statutorily-required recurring reports that agencies must provide to Congress. These reports generally are being proposed for elimination or modification because the information they provide is no longer needed or because the information is duplicative of that which is available elsewhere. The elimination of these reports will produce a significant reduction in paperwork burden both on the agencies that produce them and the public.

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Statutory Limits on the Paperwork Review Process: In late 1984, legislation was enacted limiting OMB's ability to review fully approval requests made by the Department of Education for items to be used in surveys of National Assessment of Education Progress (NAEP). These surveys, which are congressionally mandated, are administered nationwide and are used to assess the performance of children and young adults in the basic skills of reading, mathematics and communication. The new statutory language, enacted as part of a bill known as H.R. 11, limits the total combined review period allowed Education's paperwork clearance office and OMB to 60 days after the independent Assessment Policy Committee develops test items. Because this 60-day period begins before the submission of NAEP testing materials to OMB, the actual review period by OMB can be quite short and results in decisions to approve or disapprove the requests in the absence of a thorough review process, including consultation with the Department of Education.

OMB opposes limitations and exemptions which impede the process Congress intended in enacting the Paperwork Reduction Act of 1980. While the limitation on OMB review authority pertaining to the NAEP is in itself not of major significance, it is an example of actions taken by Congress over the past several years which inhibit a process designed to ensure that the Federal government imposes only the least burdensome and most clearly necessary information collections.

DELEGATION OF CLEARANCE AUTHORITY

In addition to the ICB and the authority to review agency requests for collections of information, Congress provided OMB with another tool with which to control paperwork--the ability to delegate paperwork clearance authority. Section 3507(e) of the Act permits OMB to delegate authority to approve proposed collections of information to an agency head. To receive such a delegation, however, an agency must first demonstrate that its review process is independent of its program management responsibility, that its review process will evaluate fairly whether proposed collections of information should be approved, and that it has sufficient resources to perform these paperwork clearance responsibilities. The Act further provides that, should OMB decide to grant a delegation, it must do so through a notice and comment rulemaking procedure. Such a delegation, however, does not preclude OMB from reviewing any information collection request it deems appropriate. The Act also provides OMB the authority to revoke any delegation.

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To date, OMB has granted one delegation of paperwork clearance authority. That delegation, to the Board of Governors of the Federal Reserve System, became effective on June 15, 1984. The Board's review procedure is actually a two-step process. Each proposed collection, whether it is a new collection or a renewal or revision of an existing one, is subjected to an extensive evaluation first at the staff level and then by the Board members. Based on its consideration of the purpose, need, burden, and utility of the proposed information collection, the Board then decides whether to institute, modify, or reject the proposal.

OMB has been pleased with the Board of Governors' exercise of its delegated paperwork clearance authority and encourages other agencies, with equally effective controls and oversight, to apply for similar delegations. By giving agency heads the responsibility to review their agency's paperwork requests, OMB is transferring the decision making to a level closer to the development of the proposed information collection. In addition, such delegations allow OMB to target its own resources to areas of greatest need.

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CHAPTER TWO

INFORMATION POLICY

The Office of Management and Budget's responsibilities under the Paperwork Act extend beyond approving information collections, and include "records management activities, privacy of records, interagency sharing of information, and acquisition and use of automatic data processing, telecommunications, and other technology for managing information resources" (Section 3504(a)). Under this broad mandate, OMB has taken a leadership role in varied areas of Federal information policy. Some of our initiatives are to help Federal agencies cope with, and take advantage of, the rapid technological and market changes in automatic data processing and telecommunications. Other initiatives are part of ongoing efforts to provide usable guidance to agencies that must deal with a bewildering array of statutes, administrative requirements, and government objectives affecting their information activities.

INFORMATION TECHNOLOGY PLANNING PROCESS

The Federal Government has been a leader in the innovative use of information technology since the 1940s, and is heavily dependent on automated data processing (ADP) for carrying out its programs and performing administrative activities. The President's budget for 1986 requests in excess of $14 billion to acquire and support general purpose information technology. More than 120,000 Federal employees will be responsible for programming and managing over 17,000[1] mainframe computers leased and owned by the government. Such a sizable investment requires planning to reap all the benefits possible.

Despite substantial improvements, Federal agencies have not realized the efficiency improvements and economic returns that information technology has made possible. There has been little pressure on agencies to realize these benefits. Agencies have not adequately planned

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[1]This figure differs from OMB's earlier estimate of 20,000 mainframes due to adoption of a $50,000 cost criteria and improvements in classification of systems.

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their information technology, and as a result they have developed automated information system that are not responsive to program requirements, are kept in use beyond their economic and technological life, and do not take advantage of more efficient sources of information processing support.

The information technology planning project is an integral part of the Administration's strategy to recapture the government's position as a leader in the efficient and productive use of information technology. The project requires agencies to work with OMB to develop comprehensive information systems and technology plans. These plans are necessary to improve agency management by providing timely information to support decision making and to support government wide budgeting by providing well-defined, consistent and complete information for information systems and technology investments.

In conjunction with the planning process, OMB identified eight major Federal information systems that warrant more intensive OMB involvement because of their size, complexity, political sensitivity, or because they represent precedent-setting applications of technology. OMB has begun to discuss the status of these systems with the relevant agencies, and to identify any problems with the implementation or maintenance of these systems.

As an initial step in the planning process, OMB is requiring agencies to develop comprehensive plans to ensure that: (1) investments in information technology are treated in a business-like manner, (2) a 10 percent return on these investments is documented, (3) agencies use commercially available software, (4) the government's dependence on customized software is reduced, and (5) systems critical to agency missions are kept functioning properly. These plans are being developed.

OMB has also issued Bulletin No. 85-12 "Federal Information Systems and Technology Planning" to provide guidance and instructions for the preparation and submission of strategic plans for agency information systems. In compliance with this Bulletin, agencies are required to identify and describe their major information systems, the overall strategies that underly their plan for information systems and technology, and their plan for each major system, including life cycle costs and benefits for all major new information systems or for those targeted for upgrade.

The information technology planning process will be used to ensure that agency information systems and technology

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plans are consistent with current policy, to focus on key policy issues where government-wide direction is appropriate, and to improve the 1987 management and budget reviews.

In June 1985, OMB, Commerce and GSA jointly issued the third government-wide Five-Year ADP and Telecommunications Plan. Building on previous plans, this document will focus on the goals, methods and status of Federal information technology planning. This includes an extensive description of the eight major Federal information systems and an inventory of major Federal information systems. In future editions, the results of the information technology planning process (Bulletin 85-12) will provide input to the annual five year plan.

FEDERAL INFORMATION POLICY CIRCULAR

The Paperwork Reduction Act requires the Director of OMB to develop and implement uniform and consistent information resources management policies (44 USC 3504 (b)). Such policies are to assist in improving the oversight of information technology activities, obligations for which are currently estimated at more than $14 billion annually. The policies should also reduce red tape, overlap, and duplication in the regulatory structure governing information resources management.

On March 15, 1985, OMB published for comment in the Federal Register a draft policy Circular, entitled Management of Federal Information Resources. The draft Circular establishes policy in two broad areas: information management, and information systems and technology management. As regards information management, agencies are required to create, collect, process, and disseminate information only where a basis for these activities exists in statute or agency missions. In particular, agencies must show that information dissemination activities are essential to their missions; non-duplicative of other information products and services; accomplished cost-effectively, including user charges where appropriate; conducted with maximum feasible reliance on the private sector; and subjected to periodic review as to the need for and manner of dissemination.

As regards information systems and technology management, the draft circular instructs agencies to establish planning processes and management controls for information techology; make program officials accountable for information systems; require acquisition

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of off-the-shelf software rather than custom development; require appropriate security for information systems; require full cost accounting for information technology facilities; and realize savings available through application of up-to-date information technology.

Issuance of the draft OMB Circular followed more than a year of notice and comment activities. In September 1983, OMB published a notice announcing development of the Circular and inviting comment on a broad range of issues. Interagency groups were formed to revise aspects of existing policy directives that would be consolidated into the new Circular. Extensive consultations with public and private sector parties preceeded preparation of the draft Circular.

FEDERAL TELECOMMUNICATIONS SYSTEMS

The telecommunications industry is undergoing unprecedented change. The nature of competition, government regulation and technology is being drastically revised as the industry is restructured. These changes present new challenges to Federal telecommunications managers. Old strategies must be reevaluated and new ones must be developed where appropriate.

These changes have three critical implications. First, Federal managers need to take on more responsibilities. They can no longer turn to a single vendor to deliver end-to-end service. Telecommunications services are being offered by many different vendors operating under many different regulatory schemes. Companies are regulated by the federal government and the states. Some companies are essentially unregulated under the traditional framework for at least some of their offerings. Government telecommunications managers now have the responsibility to tie these services together, either directly or through an integration contractor. Second, nearly all telecommunications services must be acquired through competition. Sole source procurement is no longer a viable acquisition strategy in all but rare cases. Third, telecommunications must be more closely integrated into agency operations.

These changes underscore the need for more careful planning of telecommunications. This involves the development of new management strategies as well as the re-evaluation of existing ones. Changes in the industry necessitate a reassessment of practices that have served the government well for decades.

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OMB efforts to improve Federal telecommunications center on specifying the procedures to be followed by Federal managers and intervening in those situations where procedures are insufficient. Agency managers should be delegated responsibilities, should have authority over the resources necessary to carry out those responsibilities, and should follow appropriate procedures in doing so. This approach is sufficient when one agency's decisions have little or no effect on those of other agencies.

In cases where agency decisions affect other agencies, a more direct centralized oversight role is required, particularly when individual and uncoordinated agency purchases result in the loss of the additional economies that could result from joint decision making.

Some governmental functions can be centralized to take advantage of economies of scale and minimize joint costs. For some services, costs decline with size until a very large scale is reached. For others, costs do not decline with size beyond a fairly small level after which they are constant or even increase. The degree to which there are economies of scale will have a major effect on the desirability of centralization.

The direct cost savings that can result from centralization give only part of the picture. It is also important to design a management scheme that ensures that the savings from centralization are not cancelled out by wasteful practices or bureaucratic inefficiencies. Users may be insulated from the costs of a centrally procured service and may not use it properly or must deal with a distant and unresponsive bureaucracy in getting the services they need to achieve programmatic goals.

For example, centralization of telecommunications services has made it easier for government line managers to ignore telecommunications expenditures. They often perceive these expenditures to be outside their control, since they are usually paid for out of a centralized budget and users get little or no usage information. Although agency managers could take steps to control these expenditures, these steps will have no effect on their own budgets. As a consequence, these resources get insufficient attention as individual managers focus on their own "bottom lines."

Over the past year, OMB has been actively pursuing initiatives to improve Federal telecommunications management. Three are of particular interest.

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First, OMB is chairing an interagency task force on developing criteria for allowing agencies to use other long distance telephone systems in addition to the Federal Telecommunications System (FTS). OMB determined that explicit criteria were necessary because: (1) recent changes in telecommunications markets suggest that network scale economies are less than they were in the past, (2) the inherent conflict of interest between GSA's roles of service provider to agencies and regulator of agencies suggests a need for clear and explicit criteria, and (3) the Federal government does not have the means to predict the costs of delivering specific services. This task force has led to a study that for the first time estimates the cost to the government of supplying FTS services to an individual agency. Further development of the methodology will make it possible to predict the cost to the Federal government of using the FTS or an alternative for a given amount of telecommunications services. GSA also modified its procurement regulations to provide that OMB will review those cases in which the agency and GSA disagree as to how agency long distance voice telecommunications requirements will be met.

Second, OMB has developed preliminary guidance for evaluating telecommunications investment proposals that consists of a set of rebuttable presumptions in favor of certain kinds of telecommunications investments and a set of analytical steps that an agency should go through as part of its planning. The rebuttable presumptions favor: (1) strategies that can be changed if circumstances change, (2) use of commercial services rather than dedicated government facilities, (3) use of demonstrated technologies, (4) use of common industry standards and protocols, (5) demonstrated in-house expertise to implement a strategy, (6) use of competitive rather than sole source acquisitions, and (7) separation of the design and implementation stages. The analytical steps that are required are: (1) a systematic process to determine the needs, (2) consideration of more than one option, (3) inclusion of all relevant costs, (4) sensitivity analyses of the implications of changes in important assumptions, and (5) systematic analysis of any non-cost based justifications.

Third, OMB has taken some initial steps to upgrade telecommunications procurement expertise in the Federal Government. The divestiture of AT&T, the general deregulation of the telecommunications industry at the Federal and State levels, as well as rapidly changing technology, have created an atmosphere of uncertainty in the area of government telecommunications procurement.

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The advent of the new Federal Acquisition Regulations (FAR) and the recently passed Competition in Contracting Act have imposed new requirements on government legal staffs.

To assist Federal attorneys in their key roles in the agency procurement process, OMB developed a telecommunications procurement law seminar--the first of its kind anywhere. The seminar covered: (1) the history of telecommunications development from a legal/ regulatory perspective, (2) the roles of the Department of Justice, the Federal Communications Commission, and the General Accounting Office, (3) the perspective of the competitive telecommunications industry, and (4) Request for Proposals (RFP) analysis responsibilities of the Federal Government attorney. A telecommunications law primer was also prepared along with related course materials for use by federal procurement attorneys.

Over the next year, OMB plans to build on the work done last year to improve Federal telecommunications management. There will be three major priorities for this effort: (1) support the development of a systematic methodology for evaluating a replacement to the present FTS, (2) develop systematic and detailed criteria for evaluating information technology investments, (3) and develop management information systems within agencies to enable them to do a better job of managing their telecommunications expenditures.

SECURITY OF INFORMATION TECHNOLOGY SYSTEMS

Computer and communication technologies support such diverse Federal programs as national defense, intelligence, space, air traffic control, health and social welfare, and financial activities. This dependency on information technology raises concerns about safeguards in Federal systems in light of events such as "hacker" break-ins, computer center disasters, computer-related crimes, and erroneous payments from automated systems.

Security of information technology systems means (1) protecting the data while it is in the computer or communication system and (2) assuring that the system does exactly what it is supposed to do, and nothing more. Security includes management controls to ensure the integrity of operations, such as controlling access to information in the system and assuring proper handling of input and output. It also means assuring that internal controls in applications are working properly.

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As outlined in OMB Circular No. A-71, Transmittal Memorandum No. 1, "Security of Federal Automated Information Systems", the primary responsibility for securing Federal automated information systems rests with the Federal agencies that operate and use them. Furthermore, adequate security for such systems is defined in terms of the risk and magnitude of loss or harm that could result from inadvertent or deliberate manipulation of the system. This so-called "harm test" is intended to be based on agency judgement concerning the sensitivity of information being processed and the ability of a system to protect it adequately.

Three areas of particular vulnerability requiring management attention are specifically addressed in the Transmittal Memorandum: (1) Information Technology Installation Security, (2) Application Security, and (3) Personnel Security. Responsibilities for assuring adequate security in each area are defined and minimal requirements are outlined.

In March, a Draft OMB Circular "Management of Federal Information Resources" was published for comment. An attachment to that proposed Circular would replace the security requirements of the Transmittal Memorandum. This draft Circular is intended to provide a general framework for information resources management in the Federal government. The draft attachment on security would retain the same basic responsibilities and measure of security as the current Transmittal Memorandum, but refine the minimal requirements for security in areas of high vulnerability. It would also clarify the relationship between security requirements in automated systems and OMB Circular No. A-123, ("Internal Controls") requirements for control of automated systems.

When a Federal agency's systems process national security-related information, the full risk and magnitude of loss or harm that could be caused by inadvertent or deliberate manipulation of the system may not be readily discernable to the agency management. As a result of concerns for protecting such information, the President issued National Security Decision Directive (NSDD) 145, which established a formal structure to assure adequate protection for the telecommunications and automated information systems that process national security information. The revised policy circular will also outline responsibilities established by the NSDD to assure close coordination between national security and civil agency efforts to secure Federal information systems.

When the public provides personal or proprietary information to the government, it presumes that the

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government will protect that information. Inadequate protection of such information in Federal automated systems would be a breach of faith on the part of the government. Furthermore, a perception that Federal information systems were not adequately protected could lead to questions of the validity of the information in the systems (e.g., economic statistics). Thus, efforts to assure proper security of Federal automated information systems are important in maintaining public confidence in our government.

PROTECTING PERSONAL PRIVACY

OMB published final guidance on the relationship between the Privacy Act and the Freedom of Information Act (FOIA) in the March 29, 1984, edition of the Federal Register. That guidance stated that the exemption provisions of the Privacy Act were drawn narrowly enough to qualify the Privacy Act as a withholding statute under FOIA exemption (b)(3). This meant that an agency could deny an individual's FOIA request for access to records about himself if the records are exempt from disclosure under the Privacy Act. Publication of this guidance reversed OMB's original guidance that the two Acts provided independent access to records and that agencies should process requests under whichever statute provided the greater amount of information.

Following the issuance of this guidance, Congress reexamined the relationship between these Acts and concluded that the two were indeed independent of each other. In passing H.R. 5164, (enacted as P.L. 98-477), the Congress added Section (q)(2) to the Privacy Act which forbade agencies from relying on a Privacy Act exemption to deny an individual access to records to which he would be entitled under the FOIA.

To explain the effect of this amendment, OMB will circulate guidance to the agencies in 1985. This guidance will also address two other areas:

- Routine Uses for disclosures during litigation.

- Disclosures under Section (b)(2) of the Privacy Act: those that would be "required under the FOIA."

Later this year, OMB will prepare a major revision of its guidance for agency implementation of the Privacy Act. This revision will seek to make the guidelines current and accessible. It will incorporate changes

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made by statutory additions and clarifications, judicial decisions, and Administration initiatives. It will also include reader's aids such as an index of key phrases.

COORDINATION OF U.S. GOVERNMENT INFORMATION FLOWS IN SUPPORT OF INTERNATIONAL AFFAIRS

As the need arises in the paperwork review process, OMB consults other agencies to bring to bear their special expertise or point of view. On paperwork issues involving international trade data, OMB consults the Office of the United States Trade Representative (USTR). OMB-USTR cooperation on paperwork has led to significant paperwork burden reductions for U.S. manufacturers and exporters. Specific examples are:

- In August, the International Trade Commission (ITC) submitted for OMB approval under the Paperwork Reduction Act a study of military and civil countertrade that would require extensive data gathering from industry. Simultaneously, the Commerce Department was preparing a similar survey on countertrade in response to a Defense Production Act mandate. OMB designated the ITC as the government's central collection agency for data on countertrade and offsets, preventing the use of two duplicate questionnaires that would impose an inordinate burden on private industry.

- Under Section 332(b) of the Tariff Act of 1930, the ITC is required to conduct studies on conditions, causes and effects relating to competition of foreign industries with those of the U.S. These studies are often initiated by USTR. Over the past years, OMB has often requested USTR to review their original requests to the ITC to ensure that these collections are still necessary to provide timely trade data. In several cases, the USTR has concluded that these reports were unnecessary due to changes in consumption or import quotas.

There is a growing body of regulatory proposals being developed by various international organizations (e.g., U.N., OECD) that might obligate the U.S. Government to conduct information collections. An OMB-State Department review mechanism is underway to keep OMB informed of information collections in the international arena in a timely manner.

OMB'S LEADERSHIP ROLE

In addition to the information policy analysis and guidance OMB prepares itself, it also provide leadership

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to other agencies to apply their particular resources to government-wide information policy issues. For example:

- On January 10, 1985, the General Services Administration (GSA) issued a temporary regulation establishing the Federal Information Management Review Program (FIRMR Temporary Regulation 10). That program is in response to the requirements in the Paperwork Reduction Act of 1980 that OMB, with the assistance of the GSA, at least once every three years "selectively review" the information management activities of each agency. In 1983, OMB asked GSA to work with agencies to establish a program based on agency self-inspection. The regulation establishes such a program and a three year schedule for submission of review plans and results.

- The National Bureau of Standards, with OMB's guidance, prepares technology forecasts, which are incorporated in the Five-Year Automatic Data Processing and Telecommunications Plan. The 1984 forecast, which emphasized telecommunications, included technology projections through 1999, three perspectives on the divestiture of AT&T, a discussion of the general impacts of technology on computer security, and the management implications of trends in technology.

- OMB chairs the IRM Managers Working Group. This group assembles senior level information resource managers from numerous agencies about every six to eight weeks. The group is a device for communications between OMB and agencies, and among agencies. The group's topics in the past year included strategic planning for information systems, the draft OMB Information Policy Circular, health effects of information technology, model policies being developed by member agencies, and early notice of developing issues such as call detail recording.

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CHAPTER THREE

STATISTICAL POLICY

The Paperwork Reduction Act of 1980 gives OMB responsibility for four statistical policy and coordination functions:

> Developing long-range plans for the improved performance of Federal statistical activities and programs;
>
> Coordinating the functions of the Federal government with respect to gathering, interpreting, and disseminating statistics and statistical information;
>
> Developing and implementing government-wide policies, principles, standards, and guidelines concerning statistical collection procedures and methods, statistical data classification, and statistical information presentations and dissemination; and
>
> Evaluating statistical program performance and agency compliance with government-wide policies, principles, standards, and guidelines.

LONG-RANGE PLANNING

OMB continued to follow the same basic approaches last year as in prior years in carrying out its statistical responsibilities. With respect to long-range planning, OMB's approach--rather than attempt comprehensive planning of all, or even the major, Federal statistical programs--has been to identify priorities and issues that the agencies should address in their planning, and then to use the incentives and authority of the fiscal budget review and the information collection review to assure that appropriate plans are developed and followed. OMB has been working closely in the past year with the Federal agencies that are the major producers of general economic statistics to develop coordinated long-range plans for the rationalization and improvement of sampling frames. This effort is discussed below under "Major Statistical Policy Issues Addressed in 1984-85."

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There are some issues that can most effectively be addressed through an interagency planning effort, and in such cases OMB has organized interagency committees or working groups. An example, discussed later in this chapter, is a group organized during the past year to study the technical, legal, and organizational issues that agencies confront in developing programs to disseminate statistical data electronically.

EVALUATION

OMB continues to use the information collection review process to evaluate the design and methods of proposed statistical studies--both general-purpose data collections and the program-related surveys and studies that now comprise a large portion of all the Federal government's statistical work--and to monitor agency compliance with statistical policies and standards. OMB's statistical policy staff has also frequently undertaken special analyses and studies focusing on issues that cut across program or agency lines. An example is the evaluation of business survey methods and practices that is described at the end of this chapter.

COORDINATION

Decentralization of statistical functions in the United States government has many positive aspects. Statistical work is generally done either by or in close proximity to the parts of government that need and use particular statistical products, closing the distance between producer and user that often is a problem in more centralized systems. Decentralization also allows many individual agencies and program managers to experiment with different methods of data collection, analysis, and dissemination and may thus provide a more fertile testing ground for methodological and technological improvements than would be offered in a more highly centralized environment. Decentralization makes OMB's statistical coordination function both an important and a complicated one however.

OMB relies on all its channels of communication with Federal agencies, including the fiscal budget, the information collection budget, the information collection review, and the legislative clearance processes, both to indicate where coordinative action is needed and to communicate OMB guidance to the agencies. In several instances, OMB has also established interagency committees to gain input to and assure coordination of large projects in which many agencies have an interest. Examples are the Federal Agency Council for the 1990 Census, established last year to identify

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agency requirements for census data and to help OMB coordinate and set priorities for the collection and release of such data; the Technical Committee on Industrial Classification, which is carrying out the revision of the Standard Industrial Classification scheduled to take effect in 1987; and the Survey of Income and Program Participation (SIPP) Advisory Committee, established to provide advice to the Bureau of the Census on SIPP content and products.

OMB also chairs the Federal Committee on Statistical Methodology (FCSM), which it organized in 1975. This group, whose members are senior statisticians in the Federal government, chosen by OMB on the basis of their individual expertise and interest, plays an important role in coordinating work on statistical methods, promoting the transfer of recent statistical methodology within the Federal statistical system, and encouraging the study of methodological issues that cut across agency lines of responsibility. Subcommittees and working groups of the FCSM undertake studies, prepare reports, and conduct workshops and seminars on problems and issues that affect the quality of the Federal government's statistical work. Last year, OMB published a FCSM subcommittee report on the role of telephone data collection in Federal statistics, which presents illustrative uses of telephone interviewing and discusses research and development issues related to telephone data collection. Other subcommittees conducted workshops last year on the use of microcomputers in statistical operations and on methodologies of exact record matching.

STANDARDS

In the past year, information collection reviews and other analyses brought to light several problems affecting the quality of the Federal government's statistics and statistical work that indicated a need for better guidance from OMB.

One is the uneven quality of the design of statistical surveys and studies conducted by or for regulatory agencies and intended to be the basis for risk assessments. Many of the surveys and studies submitted to OMB for review suffered from common weaknesses, including questions that had no analytical purpose; sample sizes that were unrelated to the desired degree of accuracy of the study results (agencies appeared in some cases to have selected sample sizes according to the amount of funding available to conduct the study); inappropriate control groups; and failure to specify the summary measures to be used in the subsequent risk analysis (unless such summary measures are identified in

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advance, there is no assurance that all the data necessary for the analysis will be collected). When such deficiencies have been uncovered in the course of information collection reviews, the sponsoring agencies have been asked to correct them before OMB gave its approval to the study. There appears to be a need, however, for more explicit guidance on the planning and design of statistical studies so that agencies understand OMB standards and are able to avoid the waste of resources in having to redesign studies that do not meet the standards.

A second problem is the uneven documentation of the statistical output of different agencies. Complete, clear documentation of each step and process in the production of statistical data and estimates is the assurance of their integrity: it allows users to be confident in the judgments they make about the suitability of the data or estimates for their particular purposes, and it demonstrates that the data or estimates have been produced in a professional, replicable fashion. Many agencies maintain standards of documentation that amply serve these purposes, but others are less rigorous. OMB's current formal guidance to the agencies on documentation standards is embodied in a statistical policy directive, written many years ago, that sets general standards for the preparation of statistical publications. More specific and comprehensive guidance, covering statistical procedures and operations as well as publications and public use data bases, is being developed now.

A third problem has to do with the accuracy of data that are used as indicators of current economic conditions. There are currently some 45 reports designated as "principal Federal economic indicators." These are reports releasing data such as the quarterly GNP estimates, measures of money supply, the monthly employment and unemployment statistics, the monthly Consumer Price Index, the Department of Agriculture's crop reports, and such series as monthly housing starts, retail sales, and manufacturers' shipments and orders. Because these data have a high current value, sometimes affect the movement of financial or commodity markets, and in some cases are used as measures of the impact of government economic policies, OMB has for many years treated them as a special category of statistical reports and established special procedures for their compilation and release.

Among the procedures are guidelines for balancing accuracy and timeliness. Data and estimates that are used as indicators of current economic conditions affect

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government and private actions and therefore should be as accurate and timely as possible. However, a tension exists between accuracy and timeliness: accuracy can generally be improved with more time devoted to data collection and analysis, but the value of some estimates decreases as their currency diminishes. Partly in response to concerns over recent large revisions in certain economic indicators and partly in response to some deficiencies in economic surveys and series that came to light in information collection reviews and other analyses by OMB and the Council of Economic Advisers, OMB has felt the need to devote more attention to the problem of accuracy in economic indicators and improve its guidance to the agencies that produce them.

This is not a straightforward matter. Accuracy is difficult to measure. Where it is reasonable to measure it in terms of subsequent revisions in estimates, there is still no "right" point of trade-off between accuracy and timeliness. Nor is it necessarily easy, or in all cases possible, to improve the accuracy of certain data. The approach OMB has taken is to encourage the agencies that produce key economic data to explore the accuracy, cost, and burden implications of alternative sampling and data collection procedures and, at the same time, to assign the agencies the responsibility for evaluating their major economic data series on a regular basis for signs of inaccuracy or bias. Even analyzing the size and direction of revisions in economic data would be a cumbersome task for some agencies now because when they revise data they do not preserve the earlier estimates in their computer data bases; hence the would-be analyst must compile data from numerous back issues of hard-copy publications.

Two years ago, OMB began an effort to revise its statistical standards. This effort was originally conceived of as an updating and "cleaning up" of the statistical policy directives issued by the Department of Commerce during the four year period prior to the enactment of the Paperwork Reduction Act when the statistical policy function was lodged outside OMB. It became clear last year, however, that a more basic revision is desirable, one that focuses on current problems and areas of weakness in statistical data and practices. OMB is proceeding on this course, aiming at having new guidance in place in 1986.

MAJOR STATISTICAL POLICY ISSUES ADDRESSED IN 1984-85

OMB worked both on its own initiative and in conjunction with agencies last year on a variety of statistical

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policy issues ranging from the design of statistical surveys and studies to electronic dissemination of statistical data.

Electronic Dissemination of Statistical Data: A number of agencies that release statistical data on a regular schedule are either starting to disseminate such data electronically or exploring the possibility of doing so. Electronic dissemination can enable users to get data quickly and cheaply, but there are complex issues involved in developing an electronic dissemination program. Until recently, each agency has had, by and large, to learn on its own about the complexities and sometimes make decisions with very limited information. In January, 1985, OMB formed a subcommittee of the Interagency Committee on the Dissemination of Statistics to study electronic dissemination. The subcommittee is analyzing existing programs and preparing a report that will review the major issues and options in developing electronic dissemination programs. The committee has representatives from 13 statistical agencies. It expects to have a final report prepared by December, 1985.

In its review of existing programs, the committee has identified three areas where it believes planning guidance would be helpful:

(1) Determining the needs of users: Agencies contemplating electronic dissemination systems must first determine if the demand justifies developing such a system. They must also determine the needs of end users in order to select appropriate means of transmitting data. (For example, users who want selected access to particular data elements require different treatment from value-added data vendors.) Whatever transmission means are chosen, the agency must determine the proper charges for access to the data. If the value of data depends on its currency, the agency must ensure that it can be made available promptly.

(2) Assessing the effects on the agency: Electronic dissemination could change the size and character of some elements of existing programs as well as the required level, location, and mix of personnel skills.

(3) Maintaining proper relations with the private sector: Government agencies need to make sure they do not provide services that are best left to the private sector and that they do not give particular vendors any unfair advantage over

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others. If data to be disseminated are time sensitive, agencies must provide simultaneous access to all users.

Alternative Sources for Regulatory Data Collections: Last year, OMB stepped up its efforts to help statistical agencies find or develop alternative sources for statistical data collected through regulatory reporting programs that will be discontinued. As the Federal government continues to deregulate transportation and other service sector industries, less statistical data will be collected for regulatory purposes. Some of the regulatory data have also served general statistical purposes. For example, certain data previously collected by the Civil Aeronautics Board are used by the Bureau of Economic Analysis (BEA) in GNP estimates and by the Bureau of Labor Statistics (BLS) for productivity measurement. Statistical agencies, such as BEA and BLS, must plan for the changes in available information in order to ensure a smooth transition from one information source to another. OMB has been working with statistical agencies to review their uses of data from regulatory programs and investigate alternative sources of the information required for their programs.

Improvement and Rationalization of Sampling Frames: In recent years, many agencies have invested in developing and improving sampling frames, those tools that provide the link between a conceptual sampling process and actual contact with real respondents. Some of these frames take the form of fairly comprehensive lists of potential respondents, complete with name, address, and descriptive information used in sample design. Other frames begin with geographic areas or sets of telephone numbers that contain little specific information about ultimate respondents. Each of these strategies has its advantages and disadvantages.

As methods have become more sophisticated, sampling frame strategies have brought into focus a number of statistical policy issues ranging from simple benefit/cost questions to data quality issues and questions of respondents' rights. Comprehensive lists are useful for stable populations and permit the use of inexpensive mail survey methods and more highly stratified sample designs. They are, however, expensive to maintain and can lead to significant errors if they cannot be updated frequently and accurately. This is a particular problem with volatile sampling units such as households, small businesses, and small farms.

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To justify high costs, comprehensive lists must often serve other purposes--purposes that treat the lists as substantive data sources rather than simply lists of names and addresses. This dossier-building aspect of large lists raises potential conflicts with broad privacy and confidentiality policies. Since lists are usually built or updated from administrative records, the sensitivity of the source data is an important consideration. Because of these statistical policy issues, OMB has maintained an interest in how the statistical collection agencies address the development and implementation of sampling frames. OMB has sought to provide overall guidance to the agencies and to support the exchange of agency experience with alternative techniques.

In economic survey work, the Department of Agriculture's Statistical Reporting Service (SRS) has taken the lead in use of mixed sampling frame strategies. This approach assumes that there is an optimum size and coverage for any list frame, beyond which funds should be reserved for nonlist sampling techniques (e.g., area sampling). Seeking this balance reduces the impetus for dossier-building and combines the strengths of both frame strategies. A similar approach was successfully used by the Census Bureau in the 1978 Census of Agriculture and is being considered again as a means of overcoming the coverage problems of the (list only) 1982 agricultural census.

Both SRS and BLS are addressing the task of expediting their update processes. Each has established an ongoing review cycle and is planning improved data management facilities. Both agencies also rely on State resources to help maintain their list frames, thus permitting more Federal resources to be focused on quality assurance. SRS uses list information from voluntary and benefit programs, which is less sensitive than the tax data used by the Census Bureau. In the case of BLS, State confidentiality laws provide an additional check on abuse of list information.

While the demands placed on list frames by infrequent censuses and ongoing survey programs differ considerably, there are many opportunities to improve quality and reduce costs through cooperative effort. BLS has recently enlisted the support of most States for a joint effort with SRS to improve the quality and efficiency of their respective list frames. Use of data from a variety of sources can both improve the quality of list frames and reduce maintenance expense. Putting the list frame in its proper perspective can reduce the demands placed on sensitive administrative data bases.

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Incremental Improvements in Statistical Confidentiality Law: In 1983, OMB led a comprehensive review of the confidentiality laws, policies, and practices of statistical agencies. While this effort did not produce new legislation, it substantially clarified many of the complex legal and policy issues surrounding the protection of statistical records. In particular, it clarified the strengths and weaknesses of various agency statutes and their relationship to government-wide information law--the Privacy Act, the Freedom of Information Act, and the Paperwork Reduction Act.

As a result of this review, agencies can now approach specific confidentiality or disclosure issues with a common set of assumptions about the needs of government and the public, as well as the ground rules imposed by general information law. This makes it possible to address particular problems in ways that avoid or minimize conflicts with other laws. This year will probably produce several incremental improvements in confidentiality law, particularly in voluntary statistical programs where the principles underlying the protection of respondents' rights are most clear cut. The common understanding among agencies permits well-focused changes to be pursued without creating new conflicts and inconsistencies in information law.

Reducing Nonsampling Error in Statistical Surveys: The information collection clearance process has provided an arena for reducing nonsampling error in both household and business surveys. A series of clearance actions on IRS research projects last year forced attention to the controllable features of the survey designs that could improve overall response rates. Even though these voluntary surveys faced some hard-core respondent resistance, consultations with IRS resulted in substantial reductions of other sources of error. The modified designs achieved response rates well above previous norms and simplified the task of analyzing survey results. This process provided the vehicle for a constructive dialogue with several major private survey firms.

OMB also scrutinized an Environmental Protection Agency (EPA) survey on the frequency of leaking underground storage tanks for potential bias attributable to nonsampling error. Consultations with the agency focused on the need to provide credible protection of respondent interests and to achieve a high degree of voluntary cooperation. In order to get accurate and candid information, EPA reported results only to the respondents and left to their discretion the reporting of facts to State or local enforcement authorities. It

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also guaranteed complete anonymity to cooperating respondents. These efforts ultimately eliminated 80 percent of the nonresponse experienced in previous EPA surveys of a similar nature. EPA's thoroughly professional approach to these problems elicited solid support from the respondents for a potentially controversial survey.

Standard Industrial Classification Revision: In February, 1984, OMB issued a notice of intent to revise the Standard Industrial Classification (SIC) and has received well over 700 proposals from Federal agencies and members of the public for specific changes. The current SIC and the proposals are being reviewed by the Technical Committee on Industrial Classification (TCIC), which is chaired by OMB and includes senior economists and industry specialists representing some 20 Federal agencies. To aid in the review, the TCIC has established separate subcommittees to deal with the areas of Construction; Manufacturing; Transportation and Utilities; Communication; Wholesale and Retail Trade; Finance, Insurance, and Real Estate; Services; and Computers.

The SIC is organized to reflect the structure of the U.S. economy. Since that structure changes over time, OMB has periodically revised the SIC to take account of technological change and the growth and decline of various industries. This will be the first major revision of the SIC since 1972. In addition to recognizing technological change, one of the principal motivations for embarking on the review was a hope that improvement and updating of the classification would lay groundwork for improving the statistical coverage of the broadly-defined service sector of the U.S. economy. The current SIC revision effort should contribute to that end. Deregulation of industries in transportation, communication, and finance as well as changes in the delivery of services such as health care have necessitated changes in the existing classification to reflect changing industry structures. Such changes, plus other proposals designed to capture the ongoing shift from goods-producing to service-producing activities in the economy, will, when implemented, make the SIC framework more useful for analyzing services.

Federal-State Statistical Cooperation: As in previous years, OMB prepared a special analysis of statistical programs related to the budget of the United States government. This year, OMB asked Federal agencies for more detailed reporting than in the past on statistical programs they carry out cooperatively with the States and on payments they make to and receive from States for

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statistical services and products. The careful reporting by the agencies enabled OMB to make a reliable estimate of the flow of funds between the Federal government and the States related to Federal statistical activities (the gross flow amounts to more than 10 percent of the Federal government's estimated "statistical budget") and to better understand and focus on the role of the States in our national statistical system.

The States currently play a larger role than is commonly recognized. A sizeable portion of the Federal statistical system operates along truly "federal" lines, either with the Federal government aggregating data produced by the States to generate national statistics, or with Federal and State agencies cooperating to produce national and state statistics as a joint product. These programs contrast with others in which the Federal government is the sole producer of statistical data at the national, state, and local levels. Studying the strengths and weaknesses of the two different kinds of programs should cast light on a variety of issues relating to the organization and funding of Federal statistical programs and thus is a long-term interest of OMB.

Business Survey Methods and Practices: In 1983-84, consideration of several statistical policy issues was hampered by the lack of reliable performance data on existing statistical programs. One such issue arose as the result of an agency initiative to seek expanded mandatory reporting authority for its business-sector surveys. There proved to be almost no reliable data to assess the need for or predict the efficacy of such a change in policy. In light of this, OMB last year solicited the support of statistical agency heads for a review of the current state of methods and practice in business surveys. The study was designed to enable OMB to evaluate response rates in a large cross-section of the business-sector surveys conducted by the Federal government and to investigate the relationship between the design of such surveys, the burdens they place on respondents, and the quality of responses. Moreover, inasmuch as many of the data OMB required for its study are performance data (such as response rates) that agencies could be expected to use to manage and evaluate their own survey programs, the availability of the data within each agency provided an indication of the quality of its program management.

The first step in the study was a broad examination of the data submitted by agencies in support of requests for OMB clearance of their surveys. This review of

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hundreds of surveys from many agencies found wide variations in their preferred survey practices, the emphasis given to particular performance measures, and the accuracy and completeness of those measures. Based on these findings, OMB designed an evaluation questionnaire to test the ability of statistical managers to provide detailed sample design and management data in a short period of time (4 to 6 weeks) and asked the Census Bureau, Bureau of Labor Statistics, Energy Information Administration, Statistical Reporting Service, Economic Research Service, Bureau of Mines, and Bureau of Economic Analysis to provide summary data for over 150 clearance packages covering more than 500 individual surveys.

The data asked for in the questionnaire included a description of the survey design, particular survey milestones, response rates achieved at critical points in the survey schedule (e.g., prior to follow-up and at the time of the first--possibly preliminary--published report), measures of respondent burden, and the type and intensity of follow-up efforts. The relatively short time frame for preparing the data was based on the premise that information actually used to manage the sampling process would be readily available and that gaps in the data would provide a rough indication of management priorities.

Except for the Census Bureau, the participating agencies were able to respond within a week or so of the target date. The data they provided indicated that measures of performance are generally consistent and fairly rigorous across agencies for censuses and well-designed probability samples. Compromise ("nonprobability") designs produced less consistent performance measures, but most agencies reported these conservatively (e.g., where response rates could not be rigorously estimated, a "lower bound" figure was reported). Again, the exception was the Census Bureau which used calculations that overstated response. The Bureau's submission stated the problem succinctly: "For some surveys, we develop and maintain well-designed probability samples, and measures of response rates would fit your definition. For other panels, we 'maintain' response rates by taking nonrespondents out of the panel and decreasing the size of the mailing."

Although these differences have made OMB's analysis more difficult, they have provided insight into the way statistical programs are managed in different agencies and have put some problems into focus. In the coming year, OMB will pursue these issues as it completes its analysis of the data.

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APPENDIX A

DUPLICATIVE INFORMATION COLLECTIONS

Agency and Identification of Duplicative Collection	Proposed Responses	Proposed Burden Hours	What Information Collection Was to Be Duplicated	What Action Was Taken
Department of Commerce				
Bureau of Economic Analysis - Surveys of International Travel Expenditures	4,000	267	This collection duplicated information collected by U.S. Travel & Tourism Administration (USTTA).	BEA has agreed to use USTTA survey data on foreign residents traveling to the U.S. for Balance of Payments estimates.
Department of Health and Human Services				
Social Security Administration - Transitional Employment Training Demonstration Data (conceptual clearance).	700	1	The data would have overlapped data available through the Vocational Rehabilitation Program and/or Bureau for the Education of the Handicapped.	The proposed collection was disapproved.
Department of Housing and Urban Development				
Community Housing Resource Board Program--Periodic Monitoring Report	589	1,600	This form would gather data on Community Housing Resource Board activities to facilitate monitoring by HUD. This information collection was duplicative of data collected for the annual report to Congress on Community Housing Resource Boards.	The proposed collection was not approved.

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APPENDIX B

PAPERWORK REDUCTION ACT VIOLATIONS

Agency and Identification of Paperwork Violation	How the Violation was Discovered	How OMB Notified the Agency	Agency's Response
Department of Commerce			
ITA - Service Supply License Procedure	In November 1983 Commerce advised OMB that the International Trade Administration did not accept OMB's 1982 condition of approval on this collection and was continuing to use the report without revision.	On March 9, 1984 OMB sent a letter to Commerce directing that they initiate a rulemaking to revise the information collection.	Agency submitted a request for clearance on 8/31/84. OMB disapproved the request. Agency resubmitted the package on 11/16/84 with changes to satisfy OMB concerns. OMB approved the package.
Reports on General License Exports of U.S. Origin Commodities Imported for Servicing	Commerce requested an extension to the report's effective date after the report had expired.	On March 9, 1984 OMB wrote to Commerce and advised that the report had expired and a new request for clearance would have to be submitted to OMB.	Agency submitted a request for clearance and OMB approved the requirement.
Monthly Report on Exports of Parts to Service Equipment Shipped Against A Validated License	Same as above.	Same as above.	Agency submitted a request for clearance. OMB disapproved the package. Agency resubmitted the package on 12/27/84 with changes to satisfy OMB concerns. OMB approved the request.

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APPENDIX B - Continued

PAPERWORK REDUCTION ACT VIOLATIONS

Agency and Identification of Paperwork Violation	How the Violation was Discovered	How OMB Notified the Agency	Agency's Response
Department of Commerce (Cont'd)			
Distribution License Procedure	Despite OMB disapproval of the collection, ITA continued to use it.	Discussion with Commerce staff.	On 1/17/85, Commerce re-submitted the package with changes to satisfy OMB concerns leading to the earlier disapproval. The modified form was approved.
Department of Health and Human Services			
Office of the Inspector General - Program Inspection of Interest Bearing Accounts of the Office of Human Development Services and Public Health Service Grantees	Private sector objected to the collection.	OMB advised the agency in November 1984 that this information collection was subject to OMB review under the Paperwork Reduction Act.	Agency submitted a request for clearance in December 1984 and OMB approved the request in March 1985 for limited use.
Social Security Administration - DDS Cost Effectiveness Measurement System Data Reporting Form	State agency employee detected the violation.	OMB advised the agency in a August 1984 telephone call of the violation.	Agency submitted a request for clearance in October 1984 and OMB approved the requirement.
Imported Tea Reporting Forms	OMB staff detected the violation in an annual ICB review.	OMB advised the agency of the violation.	Awaiting agency response.

APPENDIX B - Continued

PAPERWORK REDUCTION ACT VIOLATIONS

Agency and Identification of Paperwork Violation	How the Violation was Discovered	How OMB Notified the Agency	Agency's Response
Department of Health and Human Services - (Cont'd)			
Survey of Physical Fitness	Member of the public raised questions.	Telephone call to HHS requested that they cease and desist.	Ceased collecting data. Submitted a request for OMB approval which is now pending.
Department of the Interior--Bureau of Indian Affairs			
Information collections pursuant to the following regulations: Subchapter D--Human Services Subchapter E--Special Education Subchapter G--Financial Activities Subchapter H--Land and Water Subchapter J--Fish and Wildlife Subchapter K--Housing Improvement Program Subchapter M--Self-Determination and Education Assistance Subchapter N--Economic Enterprises	OMB staff detected the the violations in an annual ICB review.	On 1/11/84, OMB sent a letter indicating that all uncleared information collections had to be submitted by 1/31/84. Subsequently, OMB agreed to extend the January deadline. OMB and BIA agreed upon a schedule for submitting the uncleared paperwork. OMB sent another letter on 4/20/84 indicating that BIA was not adhering to the schedule.	The agency submitted requests for clearance on the collections pursuant to the following subparts: E, J, K, M, and N. OMB cleared the request affecting Subchapters E, J and K. Collections from Subchapters M and N were received at the end of March and have not yet been cleared. The agency has done nothing about the information collection pursuant to the remaining Subchapters: D, G and H.

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Appendix C

Reports Issued by the Office of Information and Regulatory Affairs, Office of Management and Budget

Copies of the following publications, as indicated, can be obtained from the National Technical Information Service, Attention: Document Sales 5285 Port Royal Road, Springfield, Va. 22161 (703-487-4650); or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (202-783-3238).

Reports Published in Past Year:

Managing Federal Information Resources, Third Annual Report Under the Paperwork Reduction Act of 1980, June 1984, 51pp.; NTIS PB85-228641.

Information Collection Budget of the United States Government FY1985, May 1985, 97pp.; NTIS PB85-167500.

A Five Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, Volume 1: Planning Strategies, April 1984, 75pp.; NTIS PB84-214501.

A Five Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, Volume 2: Major Information Technology Systems Acquisition Plans of Federal Executive Agencies, 1984-1989, April 1984, 394pp.; NTIS PB84-214519.

A Five Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, Appendix: Major Information Technology Systems Acquisition Plans of Federal Executive Agencies, 1985-1990, May 1985, 486pp.; NTIS PB85-218055.

Automatic Data Processing and Telecommunications in the Federal Government, An Annotated Bibliography, January 1985, 55pp.; NTIS PB85-150829/XAB.

Federal Statistics, A Special Report on the Statistical Programs and Activities of the United States Government, Fiscal Year 1986, June 1985, 52pp.; NTIS PB84-179563.

The Role of Telephone Data Collection in Federal Statistics, Statistical Policy Working Paper 12, November 1984, 62pp.; NTIS PB85-105971/XAB.

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Previously Issued Reports:

Federal Information Collection - Agency Actions on Commission on Federal Paperwork Recommendations, Volume I, December 1980; 63pp.; NTIS A/N PB81-158941.

Federal Information Collection - Agency Actions on Commission on Federal Paperwork Recommendations, Volume II, March 1982; 197pp.; NTIS A/N PB82-193673.

Federal Information Collection - Agency Actions on Commission on Federal Paperwork Recommendations, Volume III, January 1983, 198pp.; NTIS PB83-148445.

Managing Federal Information Resources, First Annual Report Under the Paperwork Reduction Act of 1980, April 1982, 72pp.; NTIS A/N PB82-194473.

Managing Federal Information Resources, Second Annual Report Under the Paperwork Reduction Act of 1980, April 1983, 41pp.; NTIS PB83-195065.

Information Collection Budget of the United States Government FY1981, January 1981, 85pp.; NTIS A/N PB81-152357.

Information Collection Budget of the United States Government FY1982, December 1981, 66pp,; NTIS A/N PB82-178922.

Information Collection Budget of the United States Government FY1983, January 1983, 89pp.; NTIS PB83-137208.

Information Collection Budget of the United States Government FY1984, January 1984, 111pp.; NTIS PB84-132976.

Report to the Congress: Reducing Federal Paperwork--1980-1983, January 1984 (Included as Appendix to Information Collection Budget of the United States Government FY 1984).

Improving Government Information Resources Management, March 1982; 113pp.; NTIS A/N PB82-183542.

Improving Government Information Resources Management - A Status Report, March 1983, 106pp.; NTIS PB83-191973.

A Five Year Plan: Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, April 1983, 173pp.; NTIS PB83-195255.

Major Information Technology Systems Acquisition Plans of Federal Executive Agencies, 1983-1988, (Appendix to "A Five Year Plan"), April 1983, 329pp.; NTIS PB83-182790.

A Five Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, April 1984.

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Statistical Reporter, Monthly through December 1981, 80pp.; GPO.

Developments in United States Federal Statistics, 1979-1981, November 1981, 36pp. (English/Spanish).*

Developments in United States Federal Statistics, 1981-1983, October 1983, 28pp. (English/Spanish).*

Principal Federal Statistical Programs - Special Report on Statistics Related to the Budget of the U.S. Government, Fiscal Year 1983, March 1982, 41pp.*

Principal Federal Statistical Programs - Special Report on Statistics Related to the Budget of the U.S. Government, Fiscal Year 1984, April 1983, 37pp.*

Federal Statistics: A Special Report on the Statistical Programs and Activities of the United States Government, Fiscal Year 1985, April 1984, 79pp.*

An Interagency Review of Time-Series Revision Policies, Statistical Policy Working Paper 7, October 1982, 5pp.*

Statistical Interagency Agreements, Statistical Policy Working Paper 8, October 1982, 9pp.*

Contracting for Surveys, Statistical Policy Working Paper 9, June 1983, 58pp.; NTIS PB83-223148.

Approaches to Developing Questionnaires, Statistical Policy Working Paper 10, November 1983, 164pp.; NTIS PB84-105055.

A Review of Industry Coding Systems, Statistical Policy Working Paper 11, March 1984, 112pp.; NTIS PB84-135276.

*A limited number of these publications are available from OMB.

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